

LEGISLATIVE PLATFORM
TEACHERS' RETIREMENT SYSTEM OF ILLINOIS
OCTOBER 29, 2002

Preamble

Retirement security for Illinois educators is the primary goal of the TRS Board of Trustees. In order to provide this security, adequate funding is necessary to effectuate the requirements of the Illinois Pension Code. When benefit improvements are passed by the General Assembly, an adequate funding source must also be identified to pay for any increase in the System's unfunded liability.

The legislative platform represents the long-term goals of the TRS Board of Trustees. Items contained in the legislative platform constitute an historical record of the Board of Trustees' position on significant issues affecting the members of TRS. The TRS Board of Trustees recognizes that changes to the benefit structure can be obtained only when the fiscal condition of the State of Illinois and the Teachers' Retirement System allows for alterations to the plan. Providing retirement security for Illinois educators is the underlying principle in the evaluation of all legislative proposals.

Funding

TRS supports maintaining State of Illinois funding for the Teachers' Retirement System at no less than the amounts required by PA 88-593 and 90-582.

TRS opposes any tax relief that reduces funds available for pension funding.

TRS supports measures to improve the System's funded position, including the issuance of pension obligation bonds (POBs) by the state to reduce the System's unfunded liability.

Retirement Benefits

TRS supports maintaining and improving retirement and health insurance benefits as a primary means of attracting and retaining the highest quality education professionals in Illinois.

TRS supports providing retired teachers with health insurance benefits that are similar to the benefits provided to retired state and university employees.

TRS opposes the use of defined contribution plans to cover TRS members.

TRS supports allowing retirement without discount at age 55 with 30 years of service.

TRS supports reducing the early retirement discount for persons with 20 years of service but less than 30 years from $\frac{1}{2}$ percent to $\frac{1}{4}$ percent for each month the member is under age 60.

TRS supports legislation that allows a member to retire at any age without a discount upon the attainment of 34 years of service.

Disability Benefits

TRS supports increasing temporary and permanent disability benefits to 50 percent of salary.

TRS supports beginning the annual increase for disability recipients on the first day of January following the first year in receipt of a disability benefits.

Post-Retirement Benefits

TRS supports ad hoc increases as necessary to offset the effects of inflation and to protect the purchasing power of annuities.

TRS supports the annual increase in annuities to begin on the first day of January following the first year in retirement.

Survivor Benefits

TRS supports increasing the lump-sum benefit for survivors of a retired member from \$3,000 to \$5,000.

Optional Service

TRS supports legislation to allow members to purchase service credit for service in recognized private schools in Illinois, provided that the member contribution covers the full actuarial cost of the optional service.

TRS supports the purchase of optional service credit for pregnancies and adoptions that interrupt public school teaching. Out-of-state service should be at the full cost of the service.

Investments

TRS opposes investment restrictions or mandates that would infringe on the System's fiduciary responsibilities under the prudent person rule as specified in Section 1-109 of the Illinois Pension Code.

Social Security

TRS opposes the extension of mandatory Medicare and Social Security coverage to all public employees.

TRS supports the repeal or reduction of the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

General Provisions

TRS supports legislation to maintain the plan's qualified status under the Internal Revenue Code.

TRS opposes state or federal measures that impair existing benefits provided by the Illinois Pension Code.

TRS opposes changes in the Internal Revenue Code that would subject member contributions or trust fund investment income to current taxation.

TRS supports legislation that allows members to reduce retirement benefits to pay 2.2 upgrade costs regardless of the date of termination.

TRS supports legislation that allows retired teachers to return to work without loss of pension benefits if criteria established by the Board of Trustees are met. These criteria include: shortage areas determined by regional superintendents; school district health insurance coverage of the retiree; waiting periods for retirees before they return to work; and a five-year window period for the program.